

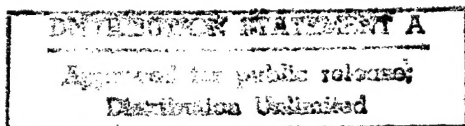
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JPRS-LAM-84-065

25 May 1984

# Latin America Report

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25 May 1984

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## STORANI ON OIL CONTRACTS, ROUCO'S CHARGES

Buenos Aires LA PRENSA in Spanish 31 Mar 84 sec 2 p 3

[Text] San Juan--"The revision of the oil contracts will not mean that the economic picture for the contracting enterprises will be wiped out, but what will be attempted will be surgery which is very careful but consistent with the political and moral goals which constitute the integrity of the national economy."

This statement was made by the national secretary of energy and fuels, Dr Conrado Storani, who has come to San Juan for the purpose of signing an agreement with the provincial officials for the continuation of the work of installing 667 kilometers of pipe for supplying homes with gas throughout Greater San Juan and the industrial parks.

At a press conference, Dr Storani, speaking further on the subject of the oil contracts, explained that these documents, which were renegotiated by the preceding government, are damaging to the Argentine patrimony in addition to violating the law.

He said that "new extraction and exploitation alternatives are offered, to the benefit of the nation, through contracts for the leasing of projects and/or services, and in cases where this is not possible, they will be offered the opportunity of association with the YPS in a mixed enterprise, in order to continue producing oil. In other words, these enterprises are neither being expelled nor are their contracts being cancelled. Rather they must take their place within the national context, because in the earlier contracts, prices were too low, and in addition, exemptions were allowed for interest and fines in open violation of the agreements."

He added that it is the intention of the present authorities to find a just price, that is to say one which is remunerative for the country and attractive to private enterprises.

With regard to the establishment of the commission for the study of hydrocarbons problems, he said that its basic task will involve the revision of Law 17319, which dates back to the government of Gen Ongania, with legislative provisions on hydrocarbons.

With regard to the plan for the building of the El Tambolar-Caracoles hydroelectric dam, this official said that it is included within the national

energy plan, but its financing will be studied in connection with next year's budget.

#### Comments on the Press

When asked by journalists about recent statements made by LA PRENSA columnist Jesus Iglesias Rouco to the effect that the secretary of energy and fuels has financed the activities of radical youth groups, specifically the Franja Morada, Dr Storani spoke first of all about "the respect which the press in general, and therefore the individuals who carry out information tasks, merit, but if I were to say what I think about this journalist, I would cause a national scandal, because he has said this and other terrible things, so that at any time I may have to turn to the courts." He explained that "my secretariat has a very precarious structure and lacks the funds which would allow it to finance any sector of the press or propaganda."

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CSO: 3348/389

## BRAZILIAN-ARGENTINE TRADE TALKS HELD IN BUENOS AIRES

## High-Level Mission

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Apr 84 p 26

[Text] Brasilia--President Joao Figueiredo yesterday named a high-level delegation to represent Brazil at the meeting with Argentina on bilateral and multilateral economic topics of mutual interest which will be held from next Monday to Wednesday in Buenos Aires.

Representatives of the Foreign Ministry, Finance, the Bank of Brazil Foreign Trade Department (CACEX), Agriculture, Industry and Commerce, the Brazilian Iron and Steel Corporation (SIDERBRAS), the Planning Secretariat (SEPLAN) and Communications will proceed there. The main question to be discussed with the Argentines is the reactivation of trade at the 1982 levels because since that date there has been a 50 percent decline in trade exchange, which currently amounts to only 900 million cruzeiros in both directions.

This time, Brazil is going to present a clearly defined trade policy toward the Argentines because the country has been losing the industrialized products market to Far Eastern countries such as Japan, South Korea and Taiwan. The Argentines complain that there are difficulties of all types in bilateral trade: commercial, foreign exchange, and mainly bureaucratic difficulties.

It was for that reason, that last week Argentina adopted a position of flagrant retaliation, discriminating against the sales of Brazilian coffee. But all of those issues are already beginning to be resolved, according to the assessment of the chief of the International Section of the Ministry of Finance, Tarcisio Marciano.

Going to Buenos Aires will be the director of CACEX, Carlos Viacava, and two other directors of the department; the main members of the economic team of the Foreign Ministry, Ambassadors Proenca Rosa and Roberto Abdernur; the chief of the International Section of the Ministry of Finance, Tarcisio Marciano; and other aides from various ministries, in addition to representatives of SIDERBRAS.

## Trade Balance Discussions

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Apr 84 p 28

[Report by Hugo Martinez]

[Text] Buenos Aires--According to reports published in this country, CACEX director Carlos Viacava recognized that Brazil's possibilities of increasing trade with Argentina are structural and related to the current situation. Viacava admitted that there are some assumptions on the part of Brazil that "are not subject to discussion," such as the intention to intensify trade "without opening up our economy," to foster industrial integration and to cooperate in the exports of grains to other nations.

Two of those topics--the zeal to maintain the market closed and cooperation in the export of grains to other countries--are propositions that the Argentine negotiators are not enthusiastic about. Viacava said that the decline that has occurred in the exchange between the two countries is the result of the "recession and the need to achieve a significant surplus to pay for foreign commitments. For that reason, Brazil has restricted its imports considerably."

He commented also that for the second straight year, Brazil has recorded a zero growth of the Gross Domestic Product (GDP) and that "this year it will not show much change." Asked about the Argentine deficit in trade with Brazil, Viacava declared: "Our decision is to double that trade. We believe that as we increase trade, the deficits will be balanced gradually."

The Alfonsin government is prepared to sign a number of political and economic agreements with Brazil similar to the ones it has just signed with Mexico, one of which creates a barter market between the two countries to prevent a dollar debt. This is a formula that so far does not appear to arouse enthusiasm among the Brazilian negotiators.

During the current meetings with the Brazilians, the Argentine negotiators hope to resolve the problems of the export of apples and the import of coffee. The trade in those traditional products underwent some changes in recent days attributed to mutual pressures.

However, the Argentine deputy secretary for foreign trade, Nestor Stancanelli, appeared optimistic: "We believe that there are areas such as energy, petrochemicals, telecommunications and a wide field in the production of grains and milk in which we can work together. Conditions exist for easily doubling bilateral trade in the first year, raising it again to the level of \$2 billion, as 3 years ago."

He mentioned the need to establish coordination of the trade policies related to other markets: "We can find forms of cooperation in the meat and soy market instead of competing and depressing the prices." The Brazilian mission will also analyze trade questions with political aspects, such as that of Bolivia. The Argentine authorities are striving to strengthen democracy in that country, collaborating in its economic development.

## Bases for Exchange Set

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Apr 84 p 25

[Report by Hugo Martinez]

[Text] Buenos Aires--After 3 days of discussions, the Brazil-Argentina Economic Planning Commission signed a document of understanding pertaining to bilateral trade and topics connected with multilateral economic organizations and integration. Jorge Romero, secretary of foreign economic relations of the Argentine Foreign Ministry told O ESTADO: "Our intention is not to make balancing the trade exchange, which today favors Brazil the only goal. We prefer to seek broad political agreements and to give a significant impetus to the flow of trade. There are five areas that concern us: transportation, communications, energy, petrochemicals and agriculture, in which we are working."

Other members of the Argentine delegation showed a certain optimism about the development of a joint plan for the installation of a chemical fertilizer factory on the border, using natural gas from Argentina. They also assert that the supply of gas to Sao Paulo "is being considered favorably."

Ambassador Roberto Abdenur, coordinator of economic affairs of the Foreign Ministry, showed cautious optimism: "The economic situation of the countries is difficult but I believe that in the medium term, we can find very attractive modes of complementation."

"There is no resistance in the Brazilian Foreign Ministry to a project for the supplying of Argentine gas. I believe that after the trans-Siberian gas pipeline, it has been demonstrated that the strategic concerns can be overcome, especially when in addition to the gas pipeline, numerous agreements of different magnitudes and areas are interlinked," he observed.

"It is this fabric of relationships that give security to a fuel supply system," he continued. "Brazil operates with 0.7 percent gas in its energy park. In general, the average for a country is 17 percent. So that we have to increase our consumption of gas and surely purchase it from Bolivia, Ghana, Argentine, Chile or any other supplier."

With regard to the apple and coffee trade, he replied: "We are aware that it is a sensitive point for the Argentine Government." The apples come from a regional economy--the upper valley of the Rio Negro and Neuquen--which is in a serious situation, and the governor of Neuquen Province is not a member of the official party but belongs to a small provincial party which acts in the senate as the arbiter in the deadlocks between radicals and Peronists. "Our position is realistic," said Abdenur, "we have our own production of apples just as Argentina produces coffee in the north. We cannot demand that our producers cut their plants."

A big Argentine producer recognized that the topic of apples, as it is posed at the present time, "is a lost cause for Argentina. We have become the producers of something that is removed from the population in general." In order to reduce tensions in bilateral trade, an agreement was signed for Brazil to release the delivery of 700,000 crates of Argentine apples in 10 days; and in turn, Argentina will facilitate the entry of coffee.

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CSO: 3342/99

## FOREIGN POLICY UNDER CAPUTO SEEN AS CONTINUATION OF PAST REGIME'S

Buenos Aires LA NACION in Spanish 8 Apr 84 p 11

[Article by Armando P. Ribas: "No Change After the Change"]

[Text] The speeches delivered by the minister of foreign relations in Geneva show that our foreign policy, with and without the military, has an undeniable and seemingly irreversible Third World slant. This continuity in our foreign policy would not be so negative were it not for the fact that, extended over the last 40 years, it has represented the antithesis of what would correspond to a wise defense of our interests.

In fact, beginning with World War II, the so-called Third Position was invented in Argentina by Peron and Catholic nationalism. "Neither capitalist materialism nor atheistic communism" was the leitmotiv of this virtuoso monster. In practice, Peron had reinvented the corporativist fascism which had failed and lost the war in Europe and had marked the 40 years of Argentine decadence.

The military turned to the Third World for support of their votes for non-intervention in domestic affairs in connection with President Carter's policy on human rights. The radical government claims this same support for intervention in the affairs of other countries which do not respect the so-called human rights. The radical position is the more contradictory since the fact is that it is among the nonaligned nations that the countries showing least respect for these human rights are to be found. In other words, it is very difficult for the governments of the Third World to be precisely those which support a policy which in principle threatens them as much as it presumably applied to the military government.

## Challenge to Sovereignty

The debate in question poses a real challenge to the concept of sovereignty. The second of the principles set forth by the minister says: "Any government loses its moral legitimacy if it systematically violates the basic rights of man, since the basic justification of governments lies precisely in the safeguarding of these rights." We cannot do less than agree with this principle of a general nature. However, it must be borne in mind that, regrettably, in the complex of international relations, morality does not precisely coincide with the sovereignty of states as such.



## Violation by Omission

The fourth principle, in turn, represents a real innovation in the concept of the rights of man. In this connection Minister Caputo said: "Human rights are violated not only by actions but by omission as well. They are equally trampled under when individuals are actively attacked in their lives, physical integrity and freedom and when there is failure to provide them with the means for a worthy existence and the full exercise of personal autonomy." In this invocation of the violation of human rights by omission, we can glimpse the ideological slant underlying it. How does the international community, the apparent repository of human rights above and beyond the sovereignty of states, decide if the means for a worthy existence are being provided or not? Is it the state which should take charge of providing these means? Everything seems to point to the fact that "socialism" is the response which society should provide in order to avoid the violation of human rights by omission. Or am I wrong?

It is difficult to avoid such a conclusion, because it is the only basis on which we can understand the duality in our policy with regard to Cuba and Paraguay. Everything seems to indicate that the radical government sees Cuba and Nicaragua as democracies, while El Salvador, for example, where there were indeed elections, is not. It is obvious to anyone whose vision is not clouded by ideology that the most basic human rights are violated daily in the communist countries. This is the same ideological partiality which makes it possible to view the United States and the Soviet Union on a plane of moral equality. This is the position which was adopted in his second address, when he spoke of the armaments race and nuclear nonproliferation.

## Different Weapons

According to our foreign minister, nuclear weapons are qualitatively different from other weapons, which would seem to suggest that if war is waged without the use of such weapons, all would be well. One need not be a cynic to realize that it has only been the fear of the holocaust of nuclear war which has prevented a third world war. Regrettably, the ambitions of men have historically ignored the limitations established by morality, and peace has been the exception and not the rule for mankind.

It is to be deplored that in contradiction with the principles set forth by Minister Caputo, it is claimed that South America should not be the battlefield for this struggle with which he would seem to be unaffiliated. Thus he said: "It is absolutely necessary to create a membrane of peace to free Latin America from the threat of being converted into a zone of confrontation between the superpowers."

The reality is very different, since the struggle occurring in these lands, and of which Argentina was a sad example, is that between freedom and oppression, between terror and the rights of men.

Also, despite his antinuclear statements, Minister Caputo maintained the military government position opposed to Latin American support of the nuclear

nonproliferation treaty. In this respect, the Argentine position is in contradiction with the very principles he seeks to maintain with regard to the responsibility of the international community, and he claimed that the peaceful content of our nuclear program cannot be challenged by anyone. If this is the case, why then refuse to sign the Tlatelolco Treaty, in which the only limitation has to do with the construction of nuclear weapons?

This position became the more contradictory when the minister himself, in recent statements, said that an appeal to the OPANAL [Organization for the Proscription of Nuclear Arms in Latin America] could not be excluded if it were established that England had brought nuclear weapons into the South Atlantic. Therefore, it does not seem very consistent to use this argument in some cases while ignoring it in others.

All in all, nothing has changed with regard to our Third World foreign policy, except for the arrogance which would seem to have taken over our "incipient democracy," which as a function thereof, is seeking to be the voice of "truth" in the world.

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CSO: 3348/387

## DIFFERENCES BETWEEN UCR LEADERS, ELECTORATE ASSESSED

Buenos Aires CLARIN in Spanish 11 Apr 84 p 15

[Text] The result of the 30 October elections showed a pronounced polarization of the electorate. Although this has not been a stable tendency in the past, since third forces and numerous small parties spread along the ideological spectrum repeatedly emerge in the national electoral panorama, it coincides with the legislative mentality which with a notable insistence has believed there to be more advantages than disadvantages in the two-party system, discouraging the proliferation of parties in various ways.

What is certain is that since 30 October, Argentina is functioning on the basis of two frankly majority coalitions and various minor forces which can be summed up as being of Center-Right and of leftist tendencies. The two major coalitions, Radicalism and Justicialism, rest respectively in middle class and in lower class constituencies, although in both cases the social bases are considerably heterogeneous.

Is this two-party system stable? Does it adequately fulfill the function of representing the citizenry in government institutions?

## Other Channels

A two-party system, to be stable, requires a very strong capacity for representation, so that few important interests fail to express themselves through it. What is characteristic of the Argentine situation is that there is a great diversity of interests as a result of the complexity which the society has reached because of its own development and because of the geographic extension of territory; but in addition, an important portion of these interests normally does not express itself through the political system, doing it rather through other institutional channels, like sectoral organizations, pressure groups and nonpolitical institutions.

In a complex society like ours a bipartisan system requires that each party possess a large capacity to combine and articulate very diverse interests, producing, dynamically, a synthesis.

This generally does not seem to have been the case during the months the present government has been in office. The two-party system does not manage to capture the diversity of viewpoints that Argentine society generates. The

partisan blocs of the majority forces do not play a role in Congress with that flexibility in articulating substantially different viewpoints and sometimes frankly opposite values which coexist with one another in our country. There persists an inclination in the governing party to leave the doors open to a style and a search for alliances that do not correspond to what a considerable part of the citizenry voted for.

The UCR [Radical Civic Union] once more exhibits dissimilar tendencies between its activist cadres--oriented toward the Left or toward populism--and its electorate--oriented rather toward the Right and Center. It is premature to judge what will be the balance of the electoral arithmetic resulting from this situation; certainly, efforts by activist and leadership forces to capture a part of the electorate of the left will compensate at least partially the disenchantment of the moderate electorate which voted for Alfonsín. But there is no doubt that not all those who gave their vote to the victorious candidate on 30 October feel today in the same way that the government is responding to their expectations.

#### Center-Right

A significant portion of the population today constitutes an electorate of the Center-Right. There is also a sector of considerable qualitative weight, consisting in part of the small and large entrepreneurs who believe, basically, in the principles of free enterprise. None of these segments can constitute the social base of a political representation exercised by a bloc predominantly oriented toward the Left, apparently seduced by a type of political mobilization of a populist character and substantially anti-free enterprise in its economic convictions.

As regards Peronism, as much for historic reasons as for its own traditions and for the ambiguity which it is easy to perceive in the orientation of its leadership--in which directors with labor affiliations once more stand out--it is evident that it has no possibility, within a foreseeable future, of occupying the place of the Right, and if it were possible, it would be surprising if it wished to do so.

It is difficult to see how, in Argentine context, a two-party system could be stable if neither of the two main political forces assumes the representation of the Center-Right electorate. The latter will seek to express itself again and again in the measure that it fails to feel itself represented by the main parties, generating the formation of new coalitions and the emergence of new forces.

Doubtless the absence of a solidly and coherently leftist front complicates the Argentine scene, by favoring a dispersion of the majority parties' political goals, and by making more room within these parties for the coexistence of dissimilar tendencies without establishing a synthesis at the same time.

What has been seen these last months is a Radicalism whose most vigorous expressions tend to respond to the expectations of the Center-Left, and even to capturing Peronist sympathies, and a vacillating Justicialism with little capacity for initiative, defining itself in terms which would have difficulty stirring interest outside its traditional constituency.

In the face of this scenario it seems improbable that the present configuration of forces can remain stable. Much time remains before the next electoral confrontation, and the new facts which will continue to be produced will exercise effects on the political loyalties of the population which today are unforeseeable.

This electoral instability does not imply institutional instability. On the contrary, it could be signaling a flexibility and a capacity for adaptation of the Argentine political system which in other times were remarkable for their absence. If we look at the past and link the tremendous political instability of our country with the known scenario of an electorate seemingly locked into immutable options, the idea of a dynamic and changing electoral picture can also evoke that of a renewed institutional vigor capable of marking new paths to a democratic Argentina.

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CSO: 3348/379

## MSGR DI STEFANO ATTACKS 'FRANJA MORADA' PROPOSALS

Buenos Aires SOMOS in Spanish 20 Apr 84 p 39

[Interview with Msgr Italo Di Stefano, Archbishop of San Juan, by Daniel Ares; date and place not given]

[Text] Msgr Italo Di Stefano, Archbishop of San Juan, has been transformed through the art of polemics into one of the churchmen with the highest journalistic ratings in recent times. To his fencing matches with Secretary of Culture Carlos Gorostiza--the bishop questioned whether pornographic films could make the domestic movie industry as such solvent--a new battle has now been added: in his Sunday sermon on 8 April, he directed his keenest barbs at some Franja Morada proposals concerning the private universities. Although he recognizes the merits of many of the members of this student organization, Msgr Di Stefano had acid comments to make about the four basic points set forth by the radical youth: conversion of bodies and funds into cooperatives; financial intervention; a tripartite government by students, professors and graduates; and announcement of open competition to fill the faculty chairs.

Concerning these polemic points, Di Stefano said that "there can certainly have been no warning that, with these proposals, we are going even farther than the people's courts of Castro's Cuba. The only difference is that no mention has as yet been made of 'going to the wall' or KGB-style psychiatric clinics for the reeducation of the 'hopelessly reactionary bourgeois accomplices of the oligarchies and antipopular and antipatriotic imperialism.'" The bishop ended this sharp-edged paragraph with the assurance "that if these thus-radicalized trends were to continue, some of the announced historical projects, instead of involving qualified leaders of various early generations, would come down in the end to a simple configuration with a transitory president from a decade back." And this clear reference to Hector J. Campora was not all, because the bishop went on to say that with this "bolshevization of the cloisters," many of the auspicious projects set forth by the government would be hindered and even defeated. Because of these various statements, SOMOS talked with Di Stefano.

[Question] Are you very angry with the Franja Morada?

[Answer] No, on the contrary. You must realize that I am thinking about them, and I believe that the majority of the members, many of whose merits I recognize, have not succeeded in assessing the overwhelming importance of what the official body proposes.

[Question] The terms you used in your homily were not very flattering.

[Answer] The fact is that the corollary, rather than the heart of the situation, was noted. I undertook an analysis of the private universities, a value judgment with a corollary, and the latter had more repercussions than the analysis. In my view the private universities occupied an important space, serving as a defense of freedom of education, of culture, of initiative, and in no way did they become competitive with the state. In addition, the private universities suffered from many attacks, and today, while an effort is being made in various sectors to instill confidence in investors to move the country forward, we cannot do without their spiritual strength.

[Question] This does not seem to be the point the Franja Morada is debating.

[Answer] Indeed. For while we want to inspire confidence, what is set forth by the Franja Morada is inhibiting, creates fear. They are asking for a tripartite government when the private universities have their own statutes. They are asking for financial intervention, which means challenging the honorable nature of all these bodies, which is wounding and painful. I believe that the greater part of these young men and women did not realize, did not understand what they were signing and asking.

[Question] Do you believe that the final goal is the bolshevization of education?

[Answer] In this country, matters have never become too serious. We have always been in a position to hold back the tide. It suffices to remember the words of Balbin shortly before the coup: "Five minutes more to think about what is being done." Today we all have to take this 5 minutes for reflection. We do not need to proceed to a collapse from which no one will gain. We do not want either the destruction of freedom or protectionism for it, because freedom must protect itself. Obviously we sometimes engage in escapades among ourselves, but we must be sure they do not push us off the cart.

[Question] Is the Franja Morada demand one of these escapades?

[Answer] I do not say that it is an escapade, but I would like to know who the people are who really subscribe to these four points. What grieves me is that a promising body like this should embark on undertakings which could subtract from what we have rather than adding to it. Do not believe that I like to write things like these, for it has earned me more than one headache and more than one personal attack.

[Question] Such as?

[Answer] Well... They have branded me a fascist, an ultrarightist.

[Question] What irony, what a difference from that Di Stefano who, emerging from the Chaco at the head of the Agrarian Leagues, faced up to President Lanusse, is it not?

[Answer] You see, there you have something interesting. The earlier regime had branded me a subversive when the only thing I wanted was to promote the improvement of social conditions and avoid a rural exodus. Well, this earned me the "subversive" tag. Now that I come out in defense of freedom, they brand me a "fascist."

[Question] Someone else with whom you do not get along very well either is Gorostiza.

[Answer] The fact is that I am motivated by a great desire to be constructive and to warn of deviations or mistakes.

[Question] But we must agree that pornographic films exist everywhere in the world.

[Answer] Yes, but we can overcome this. The soul of this people can do without certain programs. There is also violence everywhere, and I believe that there we should seek nonviolent paths. I continue to think that this thing about pornography subsidizing art is something unprecedented. No patrons make use of vice and corruption to promote moral or artistic health.

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CSO: 3348/387



## EVIDENCE OF MONTONEROS REAPPEARANCE FOUND ALARMING

Buenos Aires SOMOS in Spanish 13 Apr 84 p 17

[Text] The open reappearance of the Montoneros filled with questions those who do not dismiss the possibility of a terrorist resurgence. The Montoneros showed themselves, timidly at first, in different political demonstrations. But they stressed their presence on the occasion of the 2 April, when they participated in the burning of the Torre de los Ingleses. Others say that they had demonstrated their verbal virulence during the demonstration carried out by the Peronist Youth in repudiation of the tortures and murders committed in the Naval Mechanics School. At that ceremony, together with the posters of families of the arrested and disappeared for political motives and of the Plaza de Mayo grandmothers there was unfurled another with this slogan: "Montonero Peronism helped make the democracy." They exhibited a similar placard (in addition to stickers and lamps) during the 2 April march.

According to references, the Montoneros still have not begun their military organization and for now are dedicated to political work and ideological penetration under the designation of revolutionary Peronism, outwardly led by Susana Valle. Not long ago, they had an internal debate in order to decide whether to abandon Peronism and initiate a new party (an experience they already had had with the Authentic Party). The realignment determined that Juan Carlos Dante Gullo--according to those knowledgeable--should abandon the organization and opt for staying within Justicialism, heading the Peronist Youth. Gullo occupied that place by his own decision, since nobody granted him legal mandate. However, the Montoneros also resolved to remain within the party in order to act, principally, within the Intransigence and Mobilization wings, and in the already dissolved Peronist Convocation which was opposed to Lorenzo Miguel in the internal debate.

Of course, the Montoneros are not looked on kindly by the Peronist movement (in reality nobody wants to have too much to do with them). Once they tried, without success, to mobilize the party structure in order to obtain the liberty of the guerrilla Mario Eduardo Firmenich and of Ricardo Obregon Cano. But according to the agency EFE, they succeeded in having eight members of the Plaza de Mayo Mothers travel to Rio de Janeiro to demand the liberation of Firmenich. The position of Senator Vicente Leonides Saadi, who with Nilda Garre as second in command, heads Intransigence and Mobilization, seems curious in this scheme. As a member of the bloc of justicialist senators, Saadi supports the present labor union. And his strategy consists in overseeing the

convocation of the national congress of the PJ [Justicialist Party] for its renovation in 60 days with the participation of all the internal currents. It is insisted, furthermore, that the distancing of Saadi from the radicalized groups is a matter of time. The Peronist directors assure that the split of Intransigence is approaching, with the leftist segment remaining in the hands of Gullo.

Meanwhile, there is no lack of those who wonder about the extradition of Firmenich. In that regard it was learned that Tuesday his Argentine lawyer, Fernando Torres, traveled to Brasilia to participate in the last stretch of the juridical process. It also was learned that former Governor Oscar Bidegain, who arrived accompanied by Ricardo Obregon Cano, is in Europe, where he traveled after eluding a call for his capture. For now, the Brazilian tribunals continue to study the Montonero chief's case. But at the Procurator General's office, the special team of 15 lawyers did not lower their guard and continue to accumulate proofs in order to demonstrate the direct or indirect responsibility of Firmenich in terrorist acts. The specialists say that the task proceeds full steam ahead, and they explain that sufficient proofs will be found to condemn the Montonero comandante to life imprisonment. At the Procuracy office it is thought that the pretension of Firmenich's lawyers that terrorist acts are encompassed within the article of the Constitution which permits his defense rising up in arms is nonsense. "What does the defense of the Constitution have to do with the killing of a guard, for example?", the lawyers ask themselves.

The matter is no less complicated for former Governor Obregon Cano, interrogated by Judge Jose Dibur in connection with the attempted assassinations of Francisco Soldati and Juan Aleman by the Montoneros. Obregon, indicted for illicit association, does not lose his optimism, although he quietly continues to question the opportunity of his returning, resolved in common agreement with Firmenich. The one whose whereabouts are unknown is Fernando Vaca Narvaja, who after eluding Brazilian police is supposed to have entered Bolivian territory. Other sources say that Vaca may have found refuge in Nicaragua.

In the political environment the reemergence of the Montoneros is followed attentively. For the moment, it is insisted there that the one-time terrorist organization is not even the shadow of what it was. However, the "exercise" in the Torre de los Ingleses revived doubts regarding the police's capacity to prevent excesses. Those who want to put the best complexion on those episodes insist that as soon as the special antiterrorist corps begins to function, the acts of revolutionary gymnastics will cease to be a worry.

12372

CSO: 3348/379

## SOUTH AFRICAN DELEGATION INTERESTED IN CORN PURCHASE

Bahia Blanca LA NUEVA PROVINCIA in Spanish 10 Apr 84 p 3

[Text] Officials of the South African Corn Council paid an exploratory visit to Ingeniero White yesterday. They stated that their country is committed to importing at least 4 million tons this season, because of the most serious drought in its entire history.

The visitors said that the port of Ingeniero White is suitable for future shipments so consigned. They also observed the operations at the ports of Rosario and Buenos Aires. Yesterday afternoon they returned to the federal capital, and today they will return to their own country.

The delegation which arrived in the morning was headed by Crawford von Abo, president of the Council, accompanied by other representatives of that institution, embassy officials and directors of the Buenos Aires Grain Exchange. They were welcomed on behalf of our country by officials from the Bahia Blanca Grain Exchange, with whom they toured the port and met with the representative of the National Grain Board, engineer Rafael Corral.

Mr von Abo told LA NUEVA PROVINCIA that South Africa regularly produces about 8 million tons of corn, in other words a volume similar to that of Argentina. But because of the most serious drought in its history, it finds itself forced to import at least 4 million tons this season. Corn is the main South African farm product.

Our visitor added that he was favorably impressed by the large quantity of grain being handled at the local port and by the quality of control.

He stressed that the present talks may be the precursors of closer trade relations between the two countries. He said that in bilateral trade, South Africa imports goods from Argentina worth 180 million dollars, while it only exports 20 million.

Mr von Abo said that last year, South Africa had to import 2.3 million tons of corn. This is the third consecutive year it has had recourse to the international market, and the year with the largest purchase volume. In Argentina, purchases last season came to something more than 600,000 tons, although the main operations involved the United States.

The South African Corn Council, has a board of directors with 13 members, 8 of whom are producers nominated by the farmers themselves. The other five are representatives of such private sectors as consumers, exporters, millers and brokers. A Wheat Council functions independently. South African wheat production barely suffices to meet domestic consumption needs.

Mr von Abo commented that the politicians in his country do not assign farm activity the real importance it merits, while on the other hand they focus on the extraordinary mining production. "It has been very difficult for us to demonstrate the importance of agriculture, unlike what has happened in Argentina. If the present drought has had any positive effect, it lies in the fact that the politicians are realizing that farming too is important to South African economic interests."

5157

CSO: 3348/389

## BRIEFS

WHEAT FLOUR RECORD EXPORTS--Buenos Aires (Telam)--Wheat flour exports totaling 5,764,000 tons for the 1983-1984 harvest set a shipment record, while sales totaling 7,725,000 tons may slightly exceed foreign exchange income of 1 billion dollars, the National Grain Board (JNG) has announced. The figure mentioned (achieved between the end of December 1983 and last 31 March) was 5.3 percent more than the shipments made in the comparable period during the preceding farm season (82-83) and 60 percent higher than the average for the past five years. The JNG noted as a peculiar aspect of this wheat harvest the actions of the government, since "at the beginning of its activities, there were no sale commitments, such that the exportable balance was threatened by a serious lag." However "the policy pursued since then, in particular thanks to the reduction in the wheat held back and the establishment of the support price by the body," the JNG pointed out, "made speedier marketing of the harvest possible, along with a considerable increase in export prices. And so it was that at the beginning of February, which was less than two months, the JNG stressed, "the reporting of wheat exports was to end, with a general average of \$184.11 per ton." The total sales for this season reported by the JNG "totaled 7,725,000 tons." This sale record "placed this year second in history, after the record total in the preceding harvest season." Of this total, "5,500,000 tons represented operations by the private sector, where the average sale price was \$132.19 per ton." [Text] [Bahia Blanca LA NUEVA PROVINCIA in Spanish 10 Apr 84 p 1] 5157

OIL RESERVES DANGEROUSLY LOW--Mar del Plata--"The situation with regard to oil reserves is very serious, due to the fact that they were not properly prospected at the right time," the president of the Government Oil Deposits (YPF), Hector Juan Fiorioli, stated. In addition to warning about the shortage of hydrocarbon product reserves, he said that "the plan of action drafted for this year, which was outlined by the preceding administration, can only be fulfilled in part, since to a great extent it is inapplicable." Fiorioli, who spoke at the conclusion of some seminar sessions on marketing in Mar del Plata, said that "the goal of the current YPF administration is to maintain the production the country needs, in order to avoid future imports of oil." The head of the enterprise said that "currently production is leveling off, and in February, an approximate increase of 4 percent had already been achieved." [Text] [Buenos Aires LA NACION in Spanish 1 Apr 84 sec 3 p 2] 5157

FRANJA MORADA PROPOSALS--In a statement signed by the president of the Franja Morada Private University Front, Carlos Elizalde, this radical group reiterated its proposal for tripartite government in these educational institutions and participation by the students in the handling of the funds contributed by the alumni, and it announced a "state of mobilization" with a view to achieving these goals. The text of the statement said that "with democracy and the participation plan it brings with it, the ostentatious and usurious trade in which some of these universities in Argentina have engaged is beginning to decline." It then went on to add that "the lack of participation in the private universities has been supported by the military dictatorship...through Circular 243 dated May 1976," which it was stressed is still in effect.

[Text] [Buenos Aires LA NACION in Spanish 18 Apr 84 p 10] 5157

CSO: 3348/387

## LOSSES IN TRADE WITH ALADI NATIONS DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Apr 84 p 44

[Text] Brasilia--Brazil suffered a foreign exchange loss of \$3.1 billion in its trade relations with the member nations of the Latin American Integration Association (ALADI) between 1981 and 1983, precisely the critical period in which the liquidity difficulties of the country became more acute.

Now the government is drafting a strategy in order to recover its commercial relations with Latin America. And the first practical step was taken this week, with the signing of a protocol by Presidents Figueiredo and de la Madrid proposing an increase in trade exchange between Brazil and Mexico to the \$1 million level in both directions this year.

Brazil began to suffer from regional trade deficits at the time of the resurgence of the financial and foreign exchange difficulties which plagued the country in September of 1982, breaking out precisely with the declaration of the Mexican moratorium. It should be noted, however, that even prior to the liquidity crisis which occurred on the international financial market beginning that month, Brazil's regional trade was already showing signs of obvious deterioration.

In 1981, Brazil's overall trade (exports and imports) with the rest of the region totaled \$7.3 billion (19 percent higher than in 1980), with a surplus of \$1.1 billion. In 1982, this trade declined to \$6.1 billion, with a deficit of \$453 million, while in 1983 it declined still further, to \$4.2 billion, with a deficit, although lower, of \$149 million, due to an equalization of general transactions in the country with the Latin American bloc at levels substantially below those established in earlier years. In all, the country experienced a foreign exchange loss of \$3.1 billion.

The downward trend in regional trade is of still greater concern because of the lack of a clearly defined Brazilian trade policy for dealing with its regional partners beginning with the first oil shock in 1973. And the cumulative effect of the cooling off of Latin American economies due to the world recession, the financial crisis into which the continent was plunged and the lack of a better Brazilian policy oriented toward sustaining regional trade served in the end to create growing tensions in trade relations within the region, to the point of seriously affecting the placement of Brazil's traditional export products, according to Association of Brazilian Exporters (AEB)

reports, on almost all of the markets in the ALADI member countries. Exporters complain that they encounter difficulties of every kind in these countries--commercial, foreign exchange and mainly bureaucratic, and that they even see flagrant retaliation against alleged discrimination in Brazil to prevent the entry of regional products.

In a document sent to Minister of Finance Ernane Galveas, the AEB stressed that Brazilian exporters are losing the regional markets for industrialized products, above all to countries in the Far East, led by Japan, South Korea, Formosa and Singapore. Apart from representing a serious loss, this makes the resumption of their position by Brazilian products difficult, substantially reducing the overall invoicing by enterprises which have already been affected by the domestic recession. The export of manufactured goods to the region represents an option for combatting recession on the domestic markets for the industrial sector, the AEB says.

### Strategy

For these reasons, the government agrees with the AEB that it is necessary to make special efforts in an attempt to balance trade with countries with which Brazil has traditional surpluses, as well. For example Brazil has a traditional surplus of about 20 to 1 with Colombia. Also Ecuador, Mexico and Venezuela would have continuing deficits in trade with Brazil were it not for the imports of oil.

The basic foundations of the Brazilian strategy for the region proposed by the AEB, with a view to creating an atmosphere of trust with the regional partners and recovering trade levels as of this year, involve three aspects: automating the process of liberating imports coming from the ALADI member nations, with priority for those enjoying tariff preference granted by Brazil; the establishment of a system of checking on and controlling these imports a posteriori, with the application of harsh penalties on violators when irregular operations are identified, not only in connection with the ALADI rules, but also the country's trade policy norms; and making the regional partners fully aware of the new policy for the region, and conditioning continuity on strictly reciprocal treatment.

In the drafting of this strategy, the government is studying AEB proposals in the import and export sectors. For example, the AEB wants exports to the region liberated from the previous price controls, and wants permits for exports in cruzeiros to Paraguay and Bolivia extended to all Brazilian enterprises.

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CSO: 3342/93



## INCOME FROM RIO GRANDE DO SUL CROP EXPECTED TO DECLINE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Apr 84 p 48

[Text] Porto Alegre--Despite the fact that the farmers in Rio Grande do Sul are harvesting one of the largest crops in recent years (12.5 million tons of grain, according to State Farm Secretariat figures), the prospects for income from exports of the state's seven main products of primary origin (grain, soy bean oil and meal, rice, tobacco, beef and poultry) are not the most promising. With the exception of soybeans and poultry meat, practically all of the products are priced the same as last year, and tobacco will suffer from even lower prices. These facts were indicated by a survey made by businessmen and some professional bodies.

The main export product of the state is soybeans. The initial expectation was that the 3.6 million hectares under cultivation would produce a little more than 7 million tons. However, in the first half of this month, the Federation of Brazilian Wheat and Soybean Cooperatives (FECOTRIGO) had already reduced this estimate to a little over 5.6 million tons, and its latest survey concluded with an estimate of 5.5 million.

Based on this figure, the commercial office of the Central Union of State Rural Producer Cooperatives (CENTRALSUL) is projecting exports totaling 3.7 million tons (1.8 million will go to domestic consumers or for use as seed) as follows: 1.1 million tons of beans, 1.95 million as meal, and 520,000 tons of oil.

It is estimated that the state will receive \$1.12 billion for the total sales of the complex (3.57 million tons). There will therefore be a reduction of 14.04 percent in the volume of the product exported from 1983 to this year, as compared to an increase of 1.44 percent in the income obtained.

The government has already approved rice exports for this year, although plans call for importing this product to supply the market in the North-Northeast in the second half of the year. The president of the Rio Grande do Sul Rice Institute (IRGA), Paulo Belchior da Costa, regards this operation as advantageous. Brazil will be able to export 300,000 to 400,000 tons of Rio Grande do Sul rice of good quality at an average of \$400 or \$420 per ton, competing well and guaranteeing markets for the future. Meanwhile, the North and the Northeast can be supplied with a product imported from Thailand or Indonesia at \$270 or \$280 per ton. If everything develops as the president of the IRGA expects, Rio Grande do Sul will earn \$126 million to \$168 million in foreign exchange income from its rice exports.

Things are not going so well for beef. The president of the Rio Grande do Sul Meat Institute, Amilcar Bittencourt, is predicting that the state will export the same quantity or a little more beef this year than last--between 51,000 and 52,000 tons, out of a production of 240,000 tons. However, the international market, which is highly competitive, and since the European product is subsidized for the supply of a number of countries, is stable in terms of price development. Bittencourt said that in view of this picture, it cannot be expected that there will be an improvement in prices this year.

Tobacco, which showed excellent development last year, is suffering from a price decline abroad. Businessman Ruben Geneher, former vice president of the Union of Rio Grande do Sul Tobacco Industries, explained that there is a very large supply of the product, particularly in the United States, which is forcing prices down.

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CSO: 3342/93

## MALUF ON CABINET CHOICE, ECONOMIC GROWTH, DEBT RENEGOTIATION

Rio de Janeiro O GLOBO in Portuguese 8 Apr 84 p 8

[Interview with Deputy Paulo Maluf by Antonio Martins, Jose Ribamar, Monica Ianakiew and Robson Barenho; date and place not given]

[Text] Brasilia--Deputy Paulo Maluf (Social Democratic Party, Sao Paulo) promises that if he is elected president of the republic he wants to go down in history as the man who reestablished full democracy in Brazil. In an interview granted to O GLOBO, he said that if elected he will govern as a true democrat, accepting and even thankful for criticism. Maluf stressed that if he heads the government, he will appoint businessmen and politicians to all the ministries, except the military ones, and to head state enterprises, leaving it to the technocrats only to issue opinions. He defended direct renegotiation of the foreign debt with the governments of the countries in which the creditor banks are located, and guaranteed that he would put an end to the political patronage systems [mordomias].

[Question] If elected president, how would you like history to classify your government?

[Answer] Basically, there are two types of judgment of a government: that made during the government itself and that after political passions have died, or when the government leader dies. Those who govern in authoritarian fashion, generally speaking, are judged mildly while the government is in office but are given a bad image by history subsequently. Those who pursue democratic government suffer greatly during their terms, but later history judges them in their true dimension. My path has always been pursued in democratic fashion. I was even the first to dare to challenge a party convention against the dictate of the Planalto Palace. However, I prefer to be judged by history in the exact dimensions of one who was a democrat. I would definitely like to be judged by history as a man proceeding to reestablish full democracy in this country. I will govern as a true democrat, accepting and even grateful for the criticisms which may be made of my government.

[Question] How do you define the democratic exercise of a government post? What does it mean to practice democratic government?

[Answer] Democracy requires strong parties and respected politicians. In my government I plan, as has always been my tradition, moreover, not to be an accountant, an auditor or a persecutor. But I will also pursue a government

with various styles and norms. We must become accustomed to the fact that democracy must be exercised through the convocation of the political class. With the obvious exception of the military ministries, I want all of my ministers to be militant politicians with one or more exceptions for the technical ministers, who must be chosen from among businessmen who are also militants. I want all of the state companies and self-governing bodies as well to have their leading posts filled with militant politicians, or by successful businessmen.

[Question] Is the lack of participation by politicians at the root of the crisis in which the country finds itself? Are you planning a correction in the method of government?

[Answer] I am planning a change of style. And, without any analysis as to competence, because the ministers in this government and in all the other governments were highly responsible, I believe that the politicians, those who in each electoral campaign go from door to door, know the aspirations of the people. The technocrats and the bureaucrats are important to any administration, but in my view, they are important as providers of opinions. The government decisions should be the duty of the politician. It would be very difficult to have an enduring democracy without the participation of the political class. All of the ministers I appoint will, by preference, be senators and federal deputies, and who knows, perhaps former governors and vice governors. And for the mixed economic enterprises, I want to change the constitutional precept imposing restrictions on politicians, because I believe that it is undesirable discrimination to give parliamentarians the right even to change the constitution of the country, but allowing them only to serve as ministers, capital prefects and secretaries of state. I do not see why a senator or a deputy who is an engineer, for example, could not be president or director of the Rio Doce Valley Company or the Bank of Brazil.

[Question] What changes in content do you propose to carry out?

[Answer] Well, the content proposed by President Figueiredo is perfect: He wants to make and is making this country a democracy. But the actions of the ministers or the presidents of enterprises are not always oriented in the direction of that content. And then look at the following: What is wanted is to reduce the rate of inflation. This would have to be a desire of the government and of the Brazilian people as well. In order to control inflation, the government will have to make a political decision as a whole: to spend exactly what represents the contributive capacity of the population, at a maximum. In other words, the fiscal budgets, the monetary budget, the social services budget and the state government budgets will have to be balanced. Today we know that one of the great causes of inflation has been certain projects costing many billions of dollars, which will provide a long-term return. Thus if there had been a political will, through politicians who knew that failure due to an unfortunate action might cost them in an electoral sense, the risks, who knows, would have been smaller. The technocrat knows that very often if he makes an error, it will not cost him anything later, because he is not running for any office.

[Question] And what about the economic crisis? Do you believe that it will be possible to resume economic growth next year?

[Answer] I am calm in the belief that if you have an administration with politicians who verify the problems at the source and who undertake not to combat the consequences, but to establish what the causes are and to correct them, our problems can be reconciled and resolved. In 2 years, inflation can decline, the foreign debt can be consolidated, the large projects costing many billions, the sum of which, who knows, may come to a half of our foreign debt, can begin to move, yielding economic and social benefits, and Brazil can unmistakably resume its development. The next president will have, as would President Figueiredo if he continues in the government, a period of approximately 3 years of painful work in order to recycle the economy, to establish a cost-benefit ratio for the investment made, to obtain a social return, to consolidate the foreign debt and to conquer rising inflation. After these first 3 years, Brazil will resume its growth rate of 5, 6 or 7 percent per year.

[Question] Does this recycling to which you refer include renegotiation of the foreign debt?

[Answer] The Brazilian citizen is much concerned about the foreign debt, and rightly, but the United States does not have this worry. What concerns the Americans instead is the health of the Brazilian economy. Today, few countries in the world have medium- and long-range investments with better conditions for a political and economic return than Brazil. We must consolidate this. In the short run, what had to be done was done, but the next government will have to adopt medium- and long-range solutions, in my view, negotiating with the governments of the countries where the creditor banks are located. What I would state calmly, from one government to another, is the following: Brazil is not a bad debtor nor does it default on payments. Brazil is a good partner. The imports Brazil is making and which have resulted in increasing the debt have unmistakably provided a labor market for foreign workers. During the last visit he made to Brazil, George Shultz told the press that 100,000 jobs are lacking in the United States today because of the decline in the exports of American industry to Brazil. I see these negotiations on a government-to-government basis, not only with the United States, which accounts for \$20 billion of our debt--and thus 20 percent thereof--but with the British, French, German, Japanese and mainly the Middle Eastern governments as well, as a matter of the greatest importance. These governments should offer a loan form making the speedier economic development of Brazil possible, at cheaper interest rates and over longer terms. To put it very clearly, there are only two prior conditions if Brazil is to pay its debt: first is a new dedication to its path of prosperity, and secondly, the debt should never be paid such as to aggravate the situation of the Brazilian people, who have already made sacrifices.

[Question] One of the two basic points in your government program has been the nationalization issue. What sectors do you think should be in private hands?

[Answer] A political democracy does not function where there is economic nationalization. If free enterprise does not assume its role on the production sectors in our country, the Brazilian businessman will arrive on the threshold of the 21st century limited to activities in the tertiary sector of the economy, such as shoe stores, boutiques and restaurants. Free enterprise must enjoy prestige. Only those economic activities which are the product of the constitution should fall to the state, such as for example the problem of the monopoly on oil exploitation, or again some investments which, because of their size, are difficult for free enterprise to undertake, such as some metallurgical and hydroelectric industries. There is also a need for tax reform to strengthen the income and the responsibilities of the states and municipalities and to decentralize the economic activity of the government.

[Question] Would you alter the monopoly on oil?

[Answer] Oil must continue to be totally in the hands of the state. However, I can make one comment: I do not know why, despite President Geisel's courageous step in October of 1975, when he opened the area to risk contracts, very little investment has been made in this sector by private enterprises, not only domestic but foreign as well. Who knows if the channeling of capital could exert a decisive influence today on the Brazilian trade balance, because we are still importing \$5 or \$6 billion worth of oil each year.

[Question] What would be your policy as president of the republic concerning such mobilizations as rallies and marches to Brasilia to exert pressure on congressional votes?

[Answer] These are two different events. If the authorities are under an obligation to provide public safety for any Brazilian citizen, independent of his race, color, religion or social situation, and if there is a duty to ensure that in any one of the 4,000 Brazilian municipalities, an individual can live in safety, I believe we should not allow a lack of such security for the parliamentarian within the Congress. Thus I see a march to Brasilia to exert pressure on deputies and senators for or against a given measure as a totalitarian instrument of pressure. The Congress is sovereign and the parliamentarians must have the freedom to vote.

[Question] And what about the rallies?

[Answer] The rallies are regulated by state and federal legislation. Some governors are using them as screens to conceal their administrative incompetence. If, as a former governor, I could give the governors elected by the opposition advice, I would recommend that they get down from the platforms and begin to work. They should leave the rallies to legislators. In the absence of any disturbance, the security legislation is the responsibility of the state police. The federal government only intervenes in demonstrations of this sort under the conditions for which the constitution provides.

[Question] Do you have any proposal which would provide an immediate response to the desire for direct elections?

[Answer] What has in reality given governments credibility is not the type of election. If you come to the conclusion that direct elections would be the solution to all evils, it can unfortunately be noted that direct elections led Getulio Vargas to suicide, caused Cafe Filho to be deposed, prevented Carlos Luz from taking office, caused Janio Quadros to resign and Jango Goulart to be ousted. Only two presidents elected by the direct method completed their terms: Eurico Gaspar Dutra, a general, and Juscelino Kubitschek, a civilian. It can be seen, moreover, that the participation of the people is important, and this movement in which the people are showing their desire to participate is even fundamental. However, history reveals that in order for an individual to be elected and to remain in the government, he must demonstrate competence in the solution of problems.

[Question] Do you regard direct elections as ill-advised?

[Answer] I do not say absolutely that there should not be direct elections. There may be in 1990. But the president of the republic will be more or less respected by the people not because he was elected by a direct vote, but simply based on how he carried out his duties.

[Question] You are a rich man and you are traveling through a very poor country. Don't you fear that your name will be associated with that of a prodigal government official?

[Answer] I was the strictest governor in this country. When I served as governor, I lived in my own house. As proof of this austerity, one of the first decrees I handed down did away with all of the 6- and 8-cylinder vehicles used by the state government, a decree which is not observed today. I also lived modestly. In no way at all has my campaign been promoted by any government official. I do not use the telephone, telex, employees or offices of the government anywhere in Brazil. My campaign has been waged by myself and my friends.

[Question] How would you form a cabinet with equally modest habits in a country run by political patronage?

[Answer] Brasilia is a fantasy island. The government must work through gestures. The first gesture of my government would be to put all of the luxury residences on the Ministers' Peninsula up for public auction, as well as all of the government assets not needed for public administration, so that the ministers can live in functional apartments, as all of the senators and deputies do, and can live at their own expense. In other words, we will completely eliminate the "bosses," and all of these residences. And those who are already candidates for ministerial posts in my government know that this is a prior condition.

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CSO: 3342/93



## EXPORT GROWTH POTENTIAL ENSURES TRADE SURPLUS GOAL

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Apr 84 p 42

[Text] Brasilia--The most recent assessment of the real prospects for Brazilian foreign trade this year, which was drafted by a team of government experts, confirms the expectation that "Brazilian exports show adequate growth potential, with the current foreign exchange rules set forth in the agreement with the International Monetary Fund, in order to generate, based on imports at last year's level (\$15.4 billion), a trade surplus of \$9.1 billion.

The results obtained to date "show clearly optimistic prospects, since the average monthly surplus of \$750 million needed to reach this goal was practically achieved" in the first half of the year, when the cumulative balance came to \$2.4 billion. The government also has new hopes with regard to sales of items in the export schedule.

In connection with coffee, in terms of prices, the foreign market has even become a little more favorable than expected at the beginning of the year. However, the document stresses that this optimism has to do only with the coffees of good quality, which does not apply to a large part of the 1983 Brazilian harvest which was damaged by the excess rainfall during the harvest period. Only with administrative agility will Brazil be able to sell the stocks of better quality now in the hands of the IBC [Brazilian Coffee Institute] and await the arrival of good coffees from the new harvest to be collected beginning in May. The political and military problems of Central America are also contributing to reducing the competition from coffees vying with the Brazilian product.

The international soybean market reflected decreased demand until February. The current situation, associated with the prospects for the coming months, makes it possible to state that the crisis for soy beans and oil will continue to be much more favorable than last year. Demand for cacao has been stable in the United States and Europe. The harvest of the main crop in Bahia will end this month, and together with the harvest of the "early" crop in September, it will define the supply of the product to be marketed.

The state in turn believes that the factors which allowed a slight recovery in international sugar prices, which occurred in the second half of 1983, were of a situational nature. The high level of stocks (more than 30 percent of the expected consumption) does not allow any expectation of improvement in



the prices in the coming months, nor will there be any limit on the supply in the country. At the beginning of the year, the domestic orange supply was up 1 percent, but the stocks of juice made it possible to increase the quantity exported. Where meat is concerned, the reduction in domestic consumption and the abandonment of the financing of regulatory stocks by the government may favor exports.

Sales of crude ore from the Rio Doce Valley may increase by about 10 percent. Sales of pellets were reactivated with the entry of the Tubarao Plant into a new phase. The joint venture system at this enterprise favors the processing of the product abroad.

The government is expecting a substantial increase in the quantity of tobacco to be exported. And where metallurgical products are concerned, the taxes imposed by the United States do not affect all of the products. In addition to this, sales of pig iron have begun to climb again sharply.

According to the study, it is reasonable to expect an increase of 6 percent for the other primary products taken together, as a function of the following situation: control of internal liquidity (only 50 percent monetary expansion) will reduce state influence on the marketing of the harvest, and the foreign exchange policy favors an opening toward the foreign market. The estimated 10 percent increase in sales of industrialized products will fall short of that seen in 1982-83 (14.3 percent). The best prospects seen are for chemical products, oil products and footwear. Textile products are faced with problems due to the limited domestic supply of cotton. For the other items, the increase expected will roughly parallel the overall path of inflation in the developed economies.

5157

CSO: 3342/93

## PLANNING FOR NOVEMBER ANTARCTIC EXPEDITION IN PROGRESS

Brasilia CORREIO BRAZILIENSE in Portuguese 15 Apr 84 p 11

[Article by Teodora da Silva]

[Text] Scientific objectives will continue to be the priority in Brazil's Antarctic Program, and with that in mind, the CIRM (Interministerial Commission for Ocean Resources) is already making plans for a more comprehensive expedition to that continent. The expedition will begin this November and continue through April 1985, thus covering the entire southern summer.

Like the two previous programs, Antarctic Program No 3 will be carried out by the civilian scientific community with support from the navy and air force as regards transportation, supplies, and housing. This was announced by navy officers Capt Paulo Cesar Adriao, Comdr Fernando Sergio de Araujo, and Lt Comdr Edison Nascimento Martins, who recently returned from a trip to the Antarctic as members of the second expedition to that continent, during which the Captain Ferraz Antarctic Station was set up.

Although the next expedition is still only in the planning stage, the CIRM is anticipating an outlay on the order of 1.8 million cruzeiros. According to the commander of the most recent expedition to the Antarctic, the next step will be the expansion of the Antarctic Station so that scientists can occupy it permanently.

According to the navy officers, installation of the Brazilian base on Almirantado Bay went very well. They said that the station, which consists of eight modules of galvanized steel and fiberglass, aroused the curiosity of foreign scientists, since the stations already there are constructed of ordinary materials such as wood. The Brazilian alternative was adopted to overcome the problem of the short period of time at the expedition's disposal, thus allowing time for scientific research.

"We were pleased to see that the foreign scientists who visited us were impressed not only by the fast assembly of the station but also by the high quality of the materials used, the technology for which was 100-percent Brazilian," commented Lt Comdr Edison Martins, who is head of the station. He said that although Peru and Uruguay have no bases on the continent, they expressed an interest in acquiring the modules created by Brazil.

The research that was carried out was also commented on by the navy officers. They stressed that it was important not only because of its scientific character but also because of the new prospects it opens up for research organizations in the use of new science professionals.

One of the outstanding projects was the wave propagation study carried out by the INPE (National Institute of Space Research). Its project involved research in the low-frequency area, with results never before achieved in Brazil.

And the results achieved in work on board the vessel "Barao de Teffe"-- measurement of the element radon--demonstrated the excellent quality of the equipment utilized. According to the captain, the entirely Brazilian-made equipment meets international standards.

11798

CSO: 3342/98

## EMBRAER PRODUCTION, CLIENTS, SALES DISCUSSED

## Billing May Reach \$1 Billion

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Apr 84 p 28

[Text] Paraiba Valley--Within 4 years, EMBRAER [Brazilian Aeronautics Company] may be billing enough annually to take its place among the world's 10 largest billers in the aeronautics industry. That prediction was made yesterday in Sao Jose dos Campos by the firm's sales manager, engineer Ozilio Carlos da Silva, who declined to state the billing amount. But it is being commented that billing will probably be close to \$1 billion, with more than half of it involving exports.

Through December of this year, for example, EMBRAER's billing should exceed that by Piper and come very close to the annual billings by Cessna and Beechcraft, those three being highly regarded U.S. firms. According to EMBRAER's sales manager, the Brazilian firm expects to bill exports on the order of \$90 million in 1984, compared to \$81 million last year.

Those results mean that beginning in 1985, EMBRAER will probably leave its classification as the sixth-largest producer of medium-sized aircraft and join the list of manufacturers of heavier aircraft, whose number includes manufacturers of sophisticated jets. Since the larger planes are more expensive, the billing by the firms producing those aircraft is much higher.

To cope with the firm's growing penetration of the international market, EMBRAER, which owns an area of 2 million square meters in Sao Jose dos Campos, will expand its facilities by at least 50 percent. The structures currently cover about 200,000 square meters, and there are about 7,000 employees. Their number will be almost doubled over the next 4 years.

## Africa, Middle East Biggest Customers in 1983

Rio de Janeiro O GLOBO in Portuguese 16 Apr 84 p 13

[Text] Sao Jose dos Campos, Sao Paulo--The region consisting of North Africa and the Middle East now provides the biggest customers for Brazilian aircraft anywhere in the world, with contracts of over \$200 million last year for the purchase of 138 aircraft. The United States had been EMBRAER's biggest client

since 1978--the year of the first exports. So far, the Americans have bought 120 aircraft.

But North America continues to be the biggest source of dollars for EMBRAER--almost \$300 million to date--since the price of the planes it purchases is higher than that of the aircraft that will be delivered to North Africa and the Middle East. This information is included in the report presented by EMBRAER's board of directors and approved at the general stockholders' meeting.

According to the report, demand fell last year, resulting in a 35-percent drop in sales to the United States. The document recalls, however, that there were favorable effects in the last 2 months of the year due to the American economic recovery.

The jump in exports to Africa and the Middle East is due to the \$181-million contract signed with Egypt for the sale of 120 Tucano aircraft, including an option on 60 more.

#### Detail of Domestic, Foreign Sales

EMBRAER sells more than it produces. Last year, it manufactured 128 aircraft--62 in Sao Jose dos Campos (Bandeirantes, Brasiliass, Xingus, and Tucanos) and 66 on the light production line in Botucatu. But it sold 187. Net sales totaled 126 billion cruzeiros, with exports amounting to \$81.7 million. Profits for the fiscal year totaled 1.1 billion cruzeiros.

The firm sold 142 aircraft on the domestic market, while 45 units went to the foreign market: 23 Xingus, 17 Bandeirantes, and 5 Tucanos. The report says: "The difficulty experienced in sales reflects the regional air transportation problems in Europe, Australia, and the United States and the financing problems resulting from the situation in Brazil's balance of payments."

The document also reports that last year, EMBRAER invested over 17 billion cruzeiros in research and development in connection with products and tooling--five times more than was invested in 1982.

11798

CSO: 3342/98

## FIGUEIREDO COMMENTS ON NEVES AS 'ACCEPTABLE' CANDIDATE

## Tancredo Neves Considered 'Acceptable'

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Apr 84 p 40

[Text] Tancredo Neves, governor of Minas Gerais, is indeed the most trustworthy man "at all levels," according to President Figueiredo, for initiating dialogue between the opposition and the government. And he reportedly would also be an "acceptable" candidate for occupying the Presidency of the Republic in a possible "buffer" presidency, if that is the outcome of the negotiations between the PDS [Social Democratic Party] and the opposition parties. At least that is what Deputy Joao Paganella (PDS, Santa Catarina) gathered from his talk with the president last week. The talk was not announced in Brasilia until yesterday, following another meeting with Figueiredo.

Paganella emphasized that while the president did not say specifically that Tancredo would be a good nominee for the presidency, his praise of the governor's ability and experience was such that Paganella understood that to be the message that the president wanted to put across. According to Paganella, Figueiredo brought up the name of Tancredo Neves after complaining that the opposition parties are not making any moves toward dialogue or making room for negotiations. At the same time, Figueiredo acknowledged the possibility of a transitional government.

The spokesman for Planalto Palace, Carlos Atila, also said yesterday that the government "naturally takes a favorable view" of the proposed talks with the opposition parties as advocated by the governor of Minas Gerais. In Atila's opinion, negotiation and dialogue have always characterized the conduct and aspirations of President Figueiredo, who "unfortunately has not always found support in the opposition."

## Support

In the PMDB [Brazilian Democratic Movement Party], the proposed talks are also supported now by at least two governors: Gerson Camata of Espirito Santo and Franco Montoro of Sao Paulo. Camata, who joined Tancredo Neves in Belo Horizonte so that they could travel to Brasilia together, agrees that Tancredo Neves is the best man for starting the negotiations. "Tancredo is going to emerge in the present crisis to play a role that history was already expecting

of him: that of resolving the impasse." Camata feels that because of his manner of conduct, his experience, and the fact that he is the strongest leader in the opposition, "the governor of Minas Gerais is currently the most suitable negotiator within the entire opposition."

According to Camata, the fact that he is urging negotiation does not mean that Tancredo is thinking of becoming president of the republic. "But if it happens, the Brazilians and Brazil will be the winners."

Governor Franco Montoro says that Tancredo Neves' position in support of negotiation and against radicalism does not weaken the struggle for direct elections now. He claims that the governor of Minas Gerais favors approval of the Dante de Oliveira amendment and that in talking about negotiation, he presented conditions and principles outlined by the party.

But in the opinion of a deputy with free access to Bandeirantes Palace, Governors Franco Montoro, Leonel Brizola, and Tancredo Neves are interested in the success of negotiations with the government for direct elections in 1986 because they are candidates for president but do not want to give up their current offices to compete in the PMDB and PDT [Democratic Workers' Party] conventions, where candidates to succeed Figueiredo will be nominated.

#### "Betrayal"

Tancredo Neves' stand has displeased many PMDB and PT [Workers Party] deputies and PDT leaders. Roge Ferreira, regional chairman of the PDT, says that the statements by the governor of Minas Gerais conflict with the opinion of the Brazilian people, who want direct elections now and not negotiation. "Today more than yesterday and tomorrow more than today, we are not wavering in the slightest as regards the restoration of direct elections in Brazil. In these conditions--under threats--there is nothing to negotiate, no way to negotiate, and no reason to negotiate."

Deputy Waldemar Chubaci, acting regional chairman of the PMDB, finds Tancredo Neves' statements odd and considers them inopportune, since they do not reflect the PMDB's position. Chubaci says that the speech delivered in the Chamber of Deputies by Ulysses Guimaraes (see the article elsewhere on this page [not included]) shows the party's true stand on direct elections.

Deputy Geraldo Siqueira Filho, leader of the PT in the Sao Paulo Legislative Assembly, said he was concerned by Tancredo Neves' "betrayal." The governor, he said, "does not have the nation's support for negotiating in its name. No one has given him a proxy." According to the deputy, the PT is sticking to its stand in favor of direct elections now: "The people have said 'direct elections now,' and we are not going to throw their will on any kind of bargaining table, because the will of the Brazilian people cannot be haggled over like a piece of merchandise."

Fernando Silveira, regional deputy chairman of the PTB [Brazilian Labor Party], also regards the statements by Tancredo as "inopportune and unfortunate" because they "demonstrate weakness and run counter to the will of all of civilian

society." Tancredo Neves was also criticized at a meeting of the Committee for Direct Elections.

President: No Objection to Altered Amendment

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Apr 84 p 40

[Excerpt] While meeting with 12 PDS congressmen in Brasilia yesterday in an attempt to persuade them to vote against the Dante de Oliveira amendment, President Figueiredo acknowledged the possibility of a 2-year transitional term of office for the president and said that if Congress so decides, it can alter the government-sponsored amendment. The president said he had not submitted the government's proposed constitutional amendment to Congress earlier because the party leadership did not support it. Concerning the transitional term of office, he recalled that several deputies had suggested the idea to him, and he repeated that the only thing he will not accept is an extension of his own term of office: "not even by 1 day."

Deputy Jose Moura (Pernambuco) emphasized that Figueiredo "almost nodded yes" when it was suggested to him that the next presidential term of office be shortened. According to the deputy, a subamendment to that effect is beginning to take shape in Congress. Norton Macedo (Parana) also supported that idea, acknowledging that the present picture of the succession process is going to change, with the possible emergence of other candidates more compatible with the idea of reconciliation.

11798

CSO: 3342/98



## GROUPS RESPOND TO COTO BRUS INCIDENT

## Municipal Leaders Request Aid

San Jose LA NACION in Spanish 16 Mar 84 p 8A

[Text] Municipal leaders from five cantons in the southern part of the country yesterday asked the government to give immediate attention to the problem of the demand for land in the region if it wants to [avoid] entering into conflicts more extensive than the ones that occurred recently in Coto Brus.

This was expressed to the president of the republic, Luis Alberto Monge, and to a group of ministers and executive presidents by representatives of the municipalities of Corredores, Coto Brus, Osa, Golfito and Buenos Aires. The meeting was held in the presidential residence.

The head of state said that he was aware of the limited resources with which the municipalities of the area work. He expressed his support for the definition of immediate actions by the executive branch based on the reports provided by more than 50 municipal leaders.

The statements of the southern council members, one from each canton, emphasized the limited allocation of bank credit and the limited execution of physical and social infrastructure projects.

However, they stressed that there was a "time bomb" in the demands of thousands of landless peasants for land "in the extreme south of the country." Consequently, they demanded immediate action by the government to avoid serious social upheavals in the future.

Each municipality presented a list of its principle demands. They ranged from the elimination of customs controls on the highways to water distribution projects and the provision of medical and educational services.

They all supported the construction of an interoceanic oil pipeline through the region as a way to stimulate employment. They also demanded the elimination of restrictive quotas on basic consumer goods for the inhabitants of the border area.

Minister of the Presidency Fernando Berrocal Soto explained the government's plans. Among them, he emphasized the creation of a "major regional development corporation," which would have the participation of the private sector, the municipalities, the decentralized institutions, the central government and the banks.

He presented this entity as an institution designed to integrate in an organized endeavor the resources and capacities of all individuals and institutions that favor development in the south.

The minister stressed that land redistribution projects are under way which give priority to cooperatives dedicated to production, especially of bananas. He considered this an area of maximum importance because it would create an alternative in the face of the progressive withdrawal of the Banana Company of Costa Rica, which has been the main supplier of jobs.

Berrocal mentioned that about 200 million colons are already available to send resources to the southern part of the country. Forty million colons will come from the Agrarian Development Institute (IDA), 50 million colons from Family Allotments, and from the Agency for International Development (AID) and US\$3 million from the U.S. government.

#### Council Faults Government

San Jose LA NACION in Spanish 20 Mar 84 p 27A

[Text] The Municipal Council of San Jose declares its condemnation of the events at Las Alturas plantation in Coto Brus and demands from the central government of the republic absolute respect for those compatriots and their families who, because they wish to return to the land, have been viciously harassed.

The peasants become involved in these situations because of the lack of a clear agrarian policy and because of the inability of the responsible agencies to enforce such policy.

Situations such as the foregoing only worsen the image of our country. The state is obligated to intervene more extensively to change the current structure of land ownership and guarantee land to Costa Ricans who need the land in order to cultivate it and make it productive as a means of subsistence.

The action of the Rural Assistance Guard, which was involved by judicial order in actions that harm, mistreat and affect the rights and values that belong particularly to Costa Ricans who wish to cultivate the land, must be punished, and the government must not postpone its obligation to intervene energetically in the problem of land ownership and its monopolization, and at the same time it should place land at the service of those who wish to cultivate it, at the service of the Costa Ricans and at the service of the entire national interest.

At the same time, we vigorously condemn extremist groups who, taking advantage of the needs of the Costa Rican peasant, are fomenting the class struggle in our country.

Agreement No 3, Article III, Session No 271, 6 March 1984.

Training and Information Unit

12351

CSO: 3248/556

## BRIEFS

NICARAGUAN DEBT--According to Costa Rican Central Bank President Marco Lopez, Nicaragua owes Costa Rica \$156 million, plus \$10 million in accumulated interest. The debt continues to grow despite the implementation of a regulated trade system by which Costa Rica exports \$1 for every \$2 that it imports as a means of helping to alleviate Nicaragua's deficit. The Nicaraguan Government has not even paid for the \$1-million worth of electrical energy it receives every month from the Costa Rican Electricity Institute. In view of this situation, the Central Bank president has announced a number of actions intended to resolve the problem. According to Lopez, one possible solution would be to include the sale of electricity to Nicaragua in the existing trade program, thus reducing sales as well as the debt accumulated. [Text]  
[PA071541 Panama City ACAN in Spanish 0154 GMT 3 May 84 PA]

CSO: 3248/612

DECENTRALIZATION GIVES COMMODITIES DISTRIBUTION TO REGIONS

Georgetown GUYANA CHRONICLE in English 1 Mar 84 pp 1, 8

[Article by George Baird]

[Text] The Ministry of Trade and Consumer Protection is moving to decentralise the distribution of basic commodities by placing the ten administrative Regions in total control of the system.

The new system is already in operation in Regions 3, 5 and 10 and in the East Coast Demerara area of Region 4, Minister in the Ministry of Trade and Consumer Protection, Malcolm Corrica said yesterday.

Speaking at his Ministry following the dismissal of a senior officer who was concerned with administering the system, Cde Corrica explained that another system used last year had been found to be unsuitable.

Previously the Regional Administrations were informed by letter of allocations made to outlets within their Regions. But now once the Ministry of Trade is satisfied that the Regional Administration can effect distribution, the RDC will be given "almost total control" of the distribution, the Minister told media representatives.

He said the new system is aimed at removing discrimination and preventing the goods from reaching hucksters instead of shop shelves. It is also now being organised in Region 6.

Cde Corrica said that "personal greed" and "other considerations" were motivating persons to frustrate Government's efforts to streamline the distribution of the basic commodities.

He said Cde Schabraj Ramdas, Allocation Officer at the Ministry was dismissed on Monday after it had been found that he had issued allocation documents in a manner contrary to that prescribed.

Aggrieved persons and officials at various agencies had co-operated in helping the Ministry to trace irregular allocations, the Minister pointed out.

A new Allocation Officer has been identified, but in the interim, Permanent Secretary Patrick Mootoo will sign relevant documents, the Minister said.

Cde Corrica also warned that persons found involved in practices which resulted in officially allocated goods not reaching consumers would be summarily dealt with by the Ministry.

In the case of owners of outlets, their names would be removed from the list of distributors, the Minister said.

The allocation of milk to clinics, the Minister pointed out, is done on the basis of information supplied by the Ministry of Health.

Cde Corrica stressed though, that his Ministry was working out "other methods" to improve the national distribution system.

According to the Minister, the new Regional distribution system was discussed with the Regional Chairmen during a live-in exercise which took place during the "Conference on Local Democracy" held recently at the Kuru Kuru College, Soesdyke-Linden Highway.

The Ministry of Trade is one of the Ministries involved in the exercise of monitoring the distribution system. The Ministries of Home Affairs and Justice are also concerned with the distribution programme.

CSO: 3298/770

## BRIEFS

PLANNING BOARD APPOINTMENTS--The following appointments have been made to the State Planning Board for a period of one year, with effect from 1984-01-01: Cde Haslyn Parris, C.C.H.--Chairman; Cde Bernard A. Crawford, A.A.--Deputy Chairman. Members are: Cde Michael Brassington--Managing Director, Guyana Refrigerators Limited; Cde Yesu Persaud A.A.--Executive Chairman, Guyana Liquor Corporation; Cde Vibert Yong-Kong--Director of Agriculture, Research and Development, Guyana Sugar Corporation; Cde Colvin T. Wong--Head, Department of Management Studies, University of Guyana; Cde Selwyn Felix, A.A.--Representative of the Trades Union Congress. Cde Clarence Blue--Chief Planning Officer, State Planning Secretariat is Ex Officio Secretary & Member. [Text] [Georgetown SUNDAY CHRONICLE in English 11 Mar 84 p 9]

PPP RIVER SAFETY MEASURES--Anna Regina--(GNA)--The Regional Democratic Council of Region Two unanimously passed a motion calling for the streamlining of an efficient river safety programme for residents in the Pomeroon River. At the meeting held in the Regional boardroom recently, representative of the minority People's Progressive Party (PPP) Waren Chase, in presenting the motion called for the system to be regularised to prevent unnecessary risks to boats and lives. Cde Chase noted that the increase in outboard engines over the past few years and the improper use of the river has resulted in a state of confusion. Regional Councillor Muriel Allen said that the boats have ceased to use navigational lights and this has resulted in many accidents. She explained that recently two boats collided resulting in the death of a small child. Investigations proved that neither boat had lights. The PNC Councillor noted that small children could also be seen driving outboard motor boats and in a number of cases playful actions have caused injuries to persons using the river. Commandant of the Essequibo Division of the Guyana Police Force Senior Superintendent Baldwin Scotland said that the Police will hold discussions with boat owners on the situation. Cde Scotland noted that attempts at training boat operators will also be looked into by the Marine Wing of the Force. [Text] [Georgetown GUYANA CHRONICLE in English 25 Feb 84 p 1]

REGION 10 REORGANIZATION--Linden--The Regional Democratic Council of Region Ten is moving to revamp its committees in an effort to have the administrative system functioning more effectively. Councillors responsible for the various committees which include finance, mobilisation and co-operatives, crime prevention and housing and construction have been asked by Regional Chairman Patricia Daniel to have the restructuring of the committees streamlined by mid-month. Cde Daniel hoped that the committees will be able to establish a two-way flow of information between the Regional Democratic Council and residents of the Region. (GNA) [Text] [Georgetown GUYANA CHRONICLE in English 9 Mar 84 p 5]

REGION 6 GOODS DISTRIBUTION--The Regional Administration of Region Six in an effort to ensure that essential and basic food items reach workers, especially those in the sugar estates, will make available milk, salt and soap where workers could purchase these items on pay days in their respective pay offices. Workers had been complaining about not getting essential items and when they do, they are called to pay fantastic prices. The distribution of these commodities got started last Friday and will continue. And shops are now being identified throughout the Region to ensure a more ready distribution of goods to the people. All goods coming into the Region will be monitored by a committee specially set up by the Regional Administration to ensure effective price controlled distribution. [Text] [Georgetown NEW NATION in English 26 Feb 84 p 2]

BOOST FOR FISHING--In the thrust for self-reliance in food, fish is now the main source of animal protein for the majority of Guyanese. As a result many movements supportive of the development of the fishing industry are taking place. These include allocating to Guyana Fisheries Limited this year \$18,75 million to put the country in a better position to explore the marine resources of the country. Another event is the recent handing over by the Guyana National Engineering Corporation to Guyana Fisheries Limited of the first of five fishing vessels it has been contracted to build for GFL. Since the GFL provides an important protein source--fish--Guystac would continue to invest heavily in the company. He said that trawlers would be bought to be used exclusively for fishing. There would also be improvement in storage and distribution facilities and a fish-meal plant, the components of which are already in the country, and are to be installed this year. The Inter-American Development Bank is to provide technical assistance for installation of the plant. [Text] [Georgetown NEW NATION in English 4 Mar 84 pp 4-5]

FINANCE COMMISSION HEAD--General Secretary of the People's National Congress, Cde Ptolemy Reid, has appointed Cde Seeram Prashad Chairman of the Finance Commission, a sub-group of the Finance and Administration sub-committee of the People's National Congress. The commission, established by the Central Executive Committee of the Party, will be responsible for assisting the Finance and Administration subcommittee in a number of general areas. These include formulating policy guidelines for the Party, monitoring and evaluating Party and state activities, advising the Party on any matter the Party deems necessary, initiating action and investigation in any matter it sees fit, and making recommendations to the Central Committee on any matter within



its purview. Others appointed by Cde Reid to the commission are Assistant General Secretary Cde Urmia Johnson, Treasurer, Cde Hyacinth Godette, CCH; Cde Oscar Clarke, Cde Richard Van West-Charles, Cde Malcolm Parris, Cde Gowkarran Sharma and Cde Leslie Dundas who will perform the duties of Secretary. Chairman of the commission, Cde Seeram Prashad explained that the broad areas of responsibility include generating funds so that the Party can finance its programme and maintain the Party Secretariat and its Regional staff. The commission also has the responsibility for ensuring that effective procedures are put in place for proper accountability for Party funds at the Party and national and Regional levels, he added.

[Text] [Georgetown NEW NATION in English 11 Mar 84 p 1]

TORTURE OF AMERINDIANS--OPEN WORD has followed up the report of brutalisation of Amerindian men from Mabaruma on February 13, 1984. The 9 men were picked up from the settlement by policemen Fitzpatrick and Semple for questioning in connection with stolen "ban items" belonging to a well known and efficient PNC businessman of the Mabaruma township. The men were were stripped naked and beaten. Eye-witness reports reaching OPEN WORD say that one of the men was forced to kneel on a battery holding a heavy piece of iron above his head. The battery was put on charge. Then the questioning and beating began. He fell unconscious after his penis was beaten with a piece of hose. The men were then placed in a worm-infested cell along with 15 other men and doused with cold water. Three were hospitalised. [Text] [Georgetown OPEN WORD in English 5 Mar 84 p 4]

CSO: 3298/770

## FEDERAL PURCHASES DESCRIBED AS PART OF ECONOMIC RECOVERY

## Small-, Medium-Size Firms Highlighted

Mexico City EXCELSIOR in Spanish 13 Mar 84 pp 1-A, 15-A

[Text] The federal government's procurement program for 1984 was announced yesterday by state secretaries Carlos Salinas de Gortari and Hector Hernandez Cervantes. They stated that purchases of goods and services will total 3.045 trillion pesos, a sum that is 80 percent above that of the previous year. They stated that a larger share of this is being granted to small- and medium-sized firms and that of the total to be distributed, 65 percent will be destined for domestic consumption.

Carlos Salinas de Gortari, secretary of programming and budget, stressed that this program is an example of the reactivation of public investment in the second phase of the reordering of the economy and he affirmed that the time and the criteria are in accordance with the fulfillment of the presidential promise to announce the program as well as the features approved by the Chamber of Deputies in the first months of the year. He announced that the initial phase of the program of public sector investment will be concluded this month.

Also participating in the presentation of the program was Raul Robles Segura, assistant comptroller general of the federation, who asserted that the program would permit an adequate and orderly administration within the scope of the law, and it would allow business to plan and control production, budgets and finances.

Salinas de Gortari reported that it will be possible to reduce the 35 percent of expenditures programmed for goods from abroad as domestic industry is able to make progress in substituting imports. He affirmed that the rationalization policy will continue for purchases of an administrative nature and he also pointed out that beginning now, the agencies and organizations will present their procurement programs in detail.

The Secretariat of Programming and Budget detailed that overall purchases represent 37 percent of programmable expenditures included in the expense budgets of the federation and the Department of the Federal District, and

imports are equal to 11.4 percent, in accordance with the goal announced to the Chamber of Deputies.

The agency head added that 48 percent of the public demand corresponds to the sectors of energy, iron and steel, and fertilizers; 36 percent corresponds to strategic sectors, social security and the distribution of essential products. The remaining 16 percent goes to those services that provide communications and the administrative operations of agencies and organizations.

Of the amount imported, added the official, half goes for the purchase of grain and oil products necessary for supplying the public; the rest will go for goods used in maintaining employment and the productive plant.

Salinas de Gortari pointed out that the utilization of the purchasing power of the federal public sector--which constitutes one of the basic pillars for achieving the objectives of the Program for the Defense of the Productive Plant and Employment--as well as the substitution of imports and support of demand, especially in chemicals, petrochemicals and the priority areas of capital goods, represent the strategic lines of action in carrying out the program for this year.

#### Hernandez: Domestic Demand Will Be Increased

Hector Hernandez Cervantes, secretary of commerce and industrial development, explained that the increase in the total means a reinforcement of the program of public sector purchases as part of the plan for solving the problem of the contraction of domestic demand.

In this task, the official asserted semi-state enterprises will continue to play an important role in developing national industry, especially in branches involved in the production of strategic goods and in social consumption.

He also affirmed that two-thirds of the total of the purchases mentioned will be carried out by Pemex, Conasupo [National Company for Basic Commodities], the Federal Electricity Commission, the Mexican Fertilizer Enterprise and the Mexican Iron and Steel Enterprise.

Hernandez Cervantes announced that for this year the commerce and industrial development sector, through the Conasupo distributing system, had budgeted for about 30 billion pesos in purchases from enterprises with this type of production, identified with the processing of basic goods for popular consumption.

Hernandez Cervantes stated that the program's preference for small- and medium-sized industry is due to their importance as sources of employment and supplies for large-scale industry.

He likewise announced that the policy of importing products from countries that buy non-petroleum articles from us will be continued. We cannot buy

if we do not sell, for foreign trade is a two-way street. Thus we will effect the necessary imports basically with the foreign exchange that we obtain through exports.

#### Comptroller's Office Will Provide Supervision

Raul Robles Segura, undersecretary "B" of the Secretariat of General Comptrollership of the Federation, affirmed that that agency will be the one in charge of providing supervision to see that in each of the agencies and organizations of the public sector, programs are formulated in accordance with what was announced and in light of the authorized budgets.

He insisted that the concept of control applied by that agency is one of efficiency but not based on paper-shuffling and tiresome procedures. Instead, it is a program to simplify public administration.

#### PAN Criticisms

Mexico City EXCELSIOR in Spanish 14 Mar 84 p 33-A

[Article by Jaime Contreras]

[Text] Yesterday, the National Action Party [PAN] considered that although the federal government's procurement program will reactivate the economy in part, it will not reactivate investment "and if these purchases are financed by means of a systematic delay in payments to suppliers, it will only cause further deterioration in small- and medium-sized enterprises."

Juan Antonio Garcia Villa, national economic adviser to PAN, made the preceding statement yesterday and indicated that "for several 6-year periods now, the government always makes statements of this type at the beginning, but in the end either the important purchases are not made or it falls down more before the industrialists."

Garcia Villa, also a white-and-blue [PAN] representative, criticized the triumphant tone used by the secretary of commerce and industrial development and the secretary of planning and budget in presenting the mentioned program, and he said that the officials used an "obscure" language, "as it was not made clear whether the purchases are fully budgeted for."

And, he explained, the fact is that the sum of more than 3 trillion pesos represents more than 30 percent of the federal budget, "so that if it is not covered by the plans previously approved by congress, it will mean stimulating inflation with severe consequences."

PAN spokesman Gonzalo Altamirano Dimas said that if such an amount is budgeted for, "then it is up to the General Comptrollership of the Federation to see to it that the purchases are not made based on friendships or interests, that there be no tendency for contracts to increase expenditures or to go into the pockets of just a few."

Garcia Villa indicated that it would also have to be aware of the possibility that the government may decide to finance the 1984 purchases through the surreptitious issue of bank notes, which also would negatively affect the price index.

Asked if it would be better to liquidate the commitments now in effect with small- and medium-sized industrialists rather than entering into new obligations, the PAN economic adviser stated:

"The idea is to reactivate the economy and I believe that it would be positive if the program went into effect immediately. Another thing that should be done is to program and discharge past debts, because otherwise the financial difficulties of those enterprises will worsen."

Garcia Villa also rejected the possibility that the country may go to the system of "compensation of accounts"--under which the semi-state sector covers the debts of its own suppliers as payment for their products--"for the simple reason that that has already been tried and the tendency was to create a severe bureaucracy."

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## BRIEFS

TAX REVENUE PROGRAM RESULTS--With the Program of Permanent Prosecution of businesses and private persons, the Secretariat of Finance and Public Credit collected 545 million pesos in additional taxes during the last half of 1983. It is expected to exceed 4 billion pesos this year, with the auditing of 25,000 taxpayers corporations, including 6,254 individuals. The preceding was reported during the ceremony to award certificates of recognition to the assistants participating in the above program, which was headed by Jesus Silva Herzog, chief of the agency, accompanied by several officials and the rector of the National Autonomous University of Mexico, Octavio Rivero Serrano, among others. The program was established not only to improve tax administration but also to discourage tax evasion and cheating. From June through December 1983, 1,493 providers of social services participated throughout the country, doing more than 9,000 domicile audits of enterprises and collecting 545 million pesos. So far this year, through mid-March, 596 million pesos had been collected, and it is expected that the total at the end of 1984 will exceed 4 billion pesos in additional taxes. There have already been audits of 5,203 businesses out of a planned total of 25,000 which will include 6,245 [as published] individuals, professional persons or lessees who had not been included in this type of prosecution. [Excerpt] [Mexico City EXCELSIOR in Spanish 5 Apr 84 p 11-A] 9746

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## BRIEFS

OFFICIAL ATTENDS SOCIALIST INTERNATIONAL MEETING--Lima--Nicaragua has charged that the United States is carrying out a new escalation of aggression against our country, and that it is involving Costa Rica in an unjust war. This charge was made by Commander Leticia Herrera, vice president of the State Council, who is attending a committee meeting of the Socialist International in Lima, Peru. Commander Herrera said that using the argument of an alleged Nicaraguan threat against Costa Rica, the United States has increased its military support for that country to the extent that it is already estimated that there are many military troops there. After listing the imperialist aggressions, Commander Herrera said that despite the U.S. aggressive policy, Nicaragua maintains its policy of peace and flexibility. She added that the Reagan administration has replied to the Nicaraguan policy with pressures, blackmail, and threats. [Text] [PA091747 Managua Radio Sandino Network in Spanish 1200 GMT 9 May 84]

CSO: 3248/619

## RESISTANCE GROUPS PREPARED FOR TALKS WITH BOUTERSE GOVERNMENT

Rotterdam NRC HANDELSBLAD in Dutch 27 Apr 84 p 3

[Article: "Suriname Resistance Prepared To Talk With Bouterse. Preparation in Paramaribo for Conference"]

[Text] Amsterdam, 27 April--The two main Suriname resistance organizations in the Netherlands, the Liberation Council and the AVV [Amsterdam People's Resistance], are prepared to start a dialogue with the Bouterse regime.

Former President Chin A Sen, chairman of the Liberation Council, stated that he has no objections against participating in a conference outside Suriname together with Haakmat in order to look for a "way out of the Suriname impasse."

Some time ago signals reached former minister Haakmat, leader of the Amsterdam People's Resistance, from Paramaribo that Bouterse wanted to improve relations. He worked this out further with the result that next week in Paramaribo four representatives of the AVV will examine the chance that such a summit conference could be successful. The four will have talks there with representatives of existing political parties, trade unions, business and the military under the motto of "Break-through by way of dialogue." If a base is found, then the matter will be worked out further in May at a conference on neutral territory. The objective is restoring democracy in Suriname, drawing up a constitution; all this in the hope that the Netherlands will reinstate development aid.

Although nothing is mentioned in the basic items for the dialogue which have been put down on paper, Haakmat said, when asked, that he learned from Paramaribo that the army leadership over there--just like the AVV--aims for a situation, such that "the armed forces will be subordinate to a freely elected civil authority."

Hope

Under the heading Strategy and Development the AVV determines that "it appears that the Suriname population has lost confidence in the future"; and



that "many have given up the last gleam of hope for a better future." Because of it, the impasse in Suriname has reached a critical limit making it necessary "to force a break-through."

In Suriname the representatives of the AVV will talk with four important structures and bodies of the Suriname people, i.e.: the national army, the existing political parties, the trade unions and the employers.

Agreement should be reached on: basic premises for a new constitution; a firm schedule for a democratization plan resulting in elections for a national house of representatives; how the investigation demanded by the AVV, concerning the events of November/December 1982 when 15 prominent Surinamers were killed by soldiers, has to be arranged; the forming of a national interim government which is to draw up an elaborate priority program based on reinstatement of Dutch development aid; and finally on the guarantees which should make the above decisions possible.

#### Guarantees

Haakmat pointed out that those guarantees are an essential part of the plan "in view of the past." The form of democracy for Suriname which Haakmat and the AVV have in mind, is a "decentralized, multiform, basic democracy." There should be a political parties act excluding parties with racist objectives or without internal democracy. If all points are agreed on, then its implementation should be in the hands of a national government which should see to it that the entire program is completed within two years.

In the opinion of the AVV it boils down to the fact that "in Suriname a new political and socio-economic order will be established, free of suppression and domination."

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END